UNITED HOSPITAL CENTER

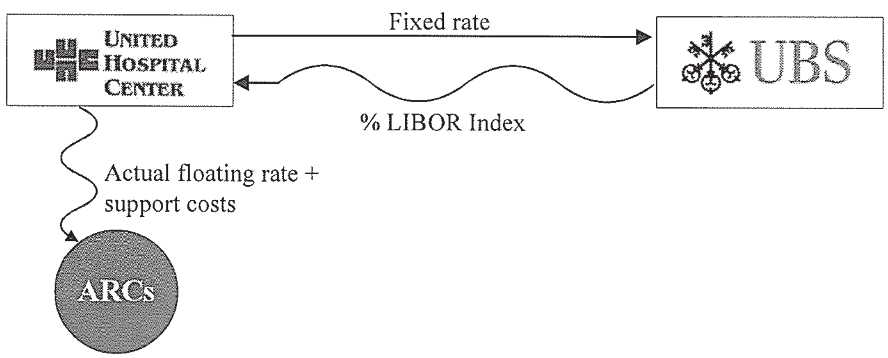
West Virginia United Health System

In today's market environment, insurance will save UHC nearly $1.9 million in present value dollars

	Uninsured	Insured	Savings
Par amount ($)	178,215,000	183,505,000	(5,290,000)
All-in interest cost (%)	4.84%	4.79%	0.05%
Total debt service ($)	347,083,490	343,915,507	3,167,983
Present value of total debt service ($)	172,229,235	170,346,613	1,882,622
Average life (years)	20.0	19.8	–
Aggregate Maximum Annual Debt Service ("MADS") ($)	12,967,166	12,881,639	85,527

Note: 5% present value rate used.

Synthetic fixed rate debt is an alternative to natural fixed rate debt



Mechanism

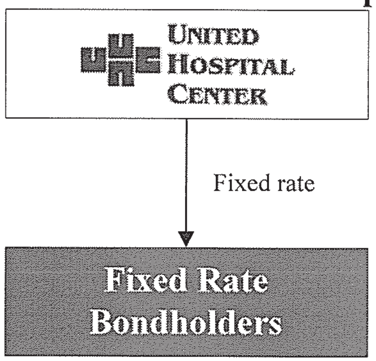
- UHC receives floating and pays fixed against newly issued or existing floating rate bonds
  - — Net cost of synthetic fixed rate debt = fixed swap rate +/- floating rate trading spread + support costs

Applications

- Convert variable rate bonds to fixed
- Results in lower fixed rate

Under current market conditions, synthetic fixed rate debt saves over 60 basis points compared to natural fixed rate debt

Natural Fixed Rate Tax-Exempt Bonds

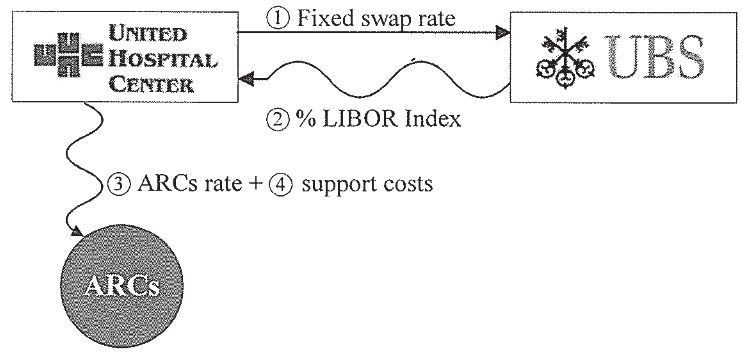


- The traditional method to “lock-in” fixed rates has been through the bond market

Interest Cost

Average coupon	+ 4.42%
Insurance (amortized)	+ 0.24
Cost of issuance	+ 0.13
All-in cost	4.79%

Synthetic Tax-Exempt Fixed Rate Debt



- In this example UHC receives variable and pays fixed in conjunction with variable rate bonds

Interest Cost

①	Fixed payer rate	+ 3.50%
②	Swap payment by counterparty	- BMA
③	ARCs rate	+ BMA
④	ARCs support costs	+ 0.26
⑤	Insurance (amortized)	+ 0.28
⑥	Cost of issuance	+ 0.12
	All-in cost (net synthetic fixed rate)	4.16%

The 63 basis point annual savings in a synthetic structure equals almost $14.7 million present value dollars

	Insured Fixed Rate		
	Natural	Synthetic 67% LIBOR	Savings
Par amount ($)	183,505,000	181,760,000	1,745,000
All-in interest cost (%)	4.79%	4.16%	0.63%
Total debt service ($)	343,915,507	313,433,377	30,482,130
Present value of total debt service ($)	170,346,613	155,687,063	14,659,549
Average life (years)	19.8	19.3	–
Aggregate Maximum Annual Debt Service ("MADS") ($)	12,881,639	11,784,599	1,097,040

Note: 5% present value rate used.

UHC should be aware of the risks associated with synthetic fixed rate debt

- Counterparty risk: the risk that the swap counterparty will not perform
  - — Mitigated by UBS's high credit ratings (Aa2/AA+/AA+)

- Market and termination risk: the risk that the swap could be terminated (due to a previously defined event) and a payment made
  - — The swap agreement will require that UHC post collateral up to the mark-to-market value of the swap under certain limited circumstances

- Basis risk: the risk of a difference between the interest rate paid to an issuer diverging from the interest rate paid on the issuer's bonds

- Tax risk: the risk that changes in marginal income tax rates would result in an increase in tax-exempt interest rates relative to taxable ones

Comparison of fixed rate versus variable rate debt

	Fixed rate tax-exempt debt	Variable rate tax-exempt debt
Advantages	■ Fixed interest cost ■ Natural fixed rate debt can be secured with or without bond insurance ■ Currently most economically secured through an interest rate swap if insurance is utilized	■ Lowest cost ■ Flexible repayment schedule ■ Can be converted to fixed rate
Disadvantages	■ Highest cost ■ Less flexible repayment schedule (callable after 10 years) ■ Risks associated with synthetic fixed rate debt	■ Requires bond insurance ■ Interest rate risk

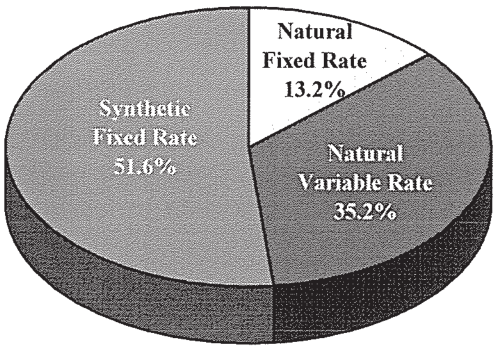
Increasing UHC's variable rate exposure to 35% reduces its cost of capital by over 20 basis points

	Insured		
	Synthetic Fixed	Synthetic Fixed/ Variable Mix	Savings
Par amount ($)	181,760,000	180,905,000	855,000
All-in interest cost (%)	4.16%	3.95%	0.21%
Total debt service ($)	313,433,377	304,143,387	9,289,990
Present value of total debt service ($)	155,687,063	150,918,292	4,768,771
Average life (years)	19.3	19.1	–
Aggregate Maximum Annual Debt Service ("MADS") ($)	11,784,599	11,473,866	310,734
Pro forma variable/fixed rate exposure (%)	0/100	35/65	–

Note: 5% present value rate used. Assumes a variable rate of 3.0% plus ARCs support costs of 0.26%.

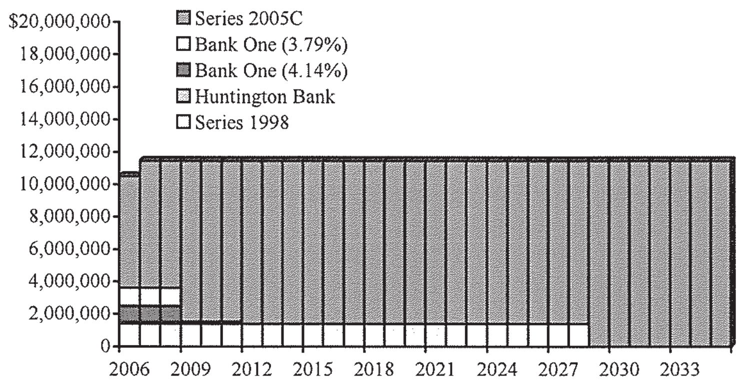
Using this approach, UHC's weighted average cost of capital would be approximately 3.49 percent

Debt Mix



Weighted average cost of capital: 3.49%

Aggregate Debt Service



Aggregate MADS: $11.5 million

($ in thousands)

Debt Issue	Principal Outstanding [1]	Interest Mode	Average Rate	Final Maturity	Average Life	Credit Enhancement	Advance Refundable	Callable
Series 1998 Bonds	$ 18,360	Fixed	5.14%	2028	13.9	Ambac	Yes	4/1/2008 @ 102
Huntington Bank note	1,039	Variable	3.74	2011	–	–	–	Any time @ 100
Bank One line of credit	4,392	Fixed	4.14	2006	–	–	–	Any time @ 100
Bank One term loan	5,000	Fixed	3.79	2007	–	–	–	Any time @ 100
Series 2005C Bonds	108,165	Synth Fixed	3.50	2035	19.2	Ambac	–	Bonds–Any time @ 100 Swap–Any time @ market
Series 2005C Bonds	72,740	Variable	–	2035	19.2	Ambac	–	Any time @ 100
Total	**$ 209,696**							

(1) Expected as of July 1, 2005.

Next Steps

Next steps

- Secure approval for replacement facility
- Finalize project planning and design
- Prepare for rating agency and bond insurer updates
- Determine bond issue sizing
  - Finalize project costs (construction/equipment)
  - Possible refinancing of outstanding debt
- Further evaluate financing options
  - Determine appropriate variable rate debt mix
  - Understand costs and benefits of an interest rate swap

Appendix 1: Glossary of Terms

Glossary of Terms

Basis point: 1/100 of 1 percent. For instance, if a yield increases from 3.25% to 3.50%, the difference is referred to as a 25 basis point increase.

Bond Counsel: An attorney retained by the issuer to give a legal opinion that the issuer is authorized to issue proposed securities, met all legal requirements necessary, and that interest on the proposed securities will be tax exempt from federal and applicable state and local taxes.

Bond Market Association Municipal Swap Index ("BMA Index" or "BMA"): A 7-day high-grade market index comprised of tax-exempt variable rate demand obligations.

Capitalized interest: A portion of the proceeds of an issue which is set aside to pay interest on the securities for a specific period of time. Interest is commonly capitalized for the construction period of a revenue-producing project.

Costs of issuance: The expenses associated with the sale of a new issue of municipal securities, including such items as printing, legal and rating agency fees, and others. In certain cases, the underwriter's spread may be considered one of the costs of issuance

Covenants: The issuer's enforceable promise to perform or refrain from performing certain actions. With respect to municipal securities, covenants are generally stated in the bond contract.

Debt service reserve fund ("DSRF"): The fund in which moneys are placed which may be used to pay debt service if pledged revenues are insufficient to satisfy the debt service requirements. The DSRF may be entirely funded with bond proceeds, or it may be only partly funded at the time of issuance and allowed to reach its full funding over time. A typical DSRF may be the lesser of (i) maximum annual debt service; (ii) 10% of par; or (iii) 120% of average annual debt service.

Due diligence: The process of thorough investigation of a bond issue, usually by underwriter's counsel. Such inquiry is made to assure that all material facts are fully disclosed to potential investors and that there have been no material omissions or misstatements of fact.

Gross revenue pledge: A pledge that all revenues received will be used for debt service prior to deductions for any costs or expenses

London Interbank Offered Rate ("LIBOR"): The rate of interest at which banks borrow funds from other banks, in marketable size, in the London interbank market. LIBOR is the most widely used benchmark or reference rate for short-term interest rates

Official Statement ("OS"): A document published by the issuer which generally discloses material information on a new issue of municipal securities including the purposes of the issue, how the securities will be repaid, and the financial, economic and social characteristics of the issuing government. Investors may use this information to evaluate the credit quality of the securities.

Glossary of Terms (cont'd)

Preliminary official statement ("POS"): A preliminary version of the official statement which is used by an issuer or underwriters to describe the proposed issue of municipal securities prior to the determination of the interest rate(s) and offering price(s). The POS may be used by issuers to gauge underwriter's' interest in an issue and is often relied upon by potential purchasers in making their investment decisions.

Rate covenant: Covenants to charge fees sufficient to provide required pledged revenues

Ratings: Evaluations of the credit quality of notes and bonds usually made by independent rating services. Ratings are intended to measure the probability of the timely repayment of principal of and interest on municipal securities. Ratings are initially made before issuance and are periodically reviewed and may be amended to reflect changes in the issuer's credit position. Banking law requires that certain types of securities acquired by bank portfolios must be both marketable and investment grade.

	Moody's	S&P	Fitch
Investment Grade:	Aaa	AAA	AAA
	Aa1	AA+	AA+
	Aa2	AA	AA
	Aa3	AA-	AA-
	A1	A+	A+
	A2	A	A
	A3	A-	A-
	Baa1	BBB+	BBB+
	Baa2	BBB	BBB
	Baa3	BBB-	BBB-
Non-Investment Grade	Ba1	BB+	BB+
	Ba2	BB	BB
	Ba3	BB-	BB-
	and below	and below	and below

Glossary of Terms (cont'd)

Rating Agencies: The organizations which provide publicly available ratings of the credit quality of securities issuers. The three most recognized are Moody's Investors Service ("Moody's), Standard & Poor's ("S&P") and Fitch Ratings ("Fitch").

Revenue Bond Index ("RBI"): An index, published by The Bond Buyer, based on 30-year bonds issued by 25 different revenue bond issuers for a variety of purposes including housing, transportation, hospitals and pollution control. The average rating is roughly equivalent to Moody's A1 and S&P's A+.

Trustee: A financial institution with trust powers which acts in a fiduciary capacity for the benefit of the bondholders in enforcing the terms of the bond contract.

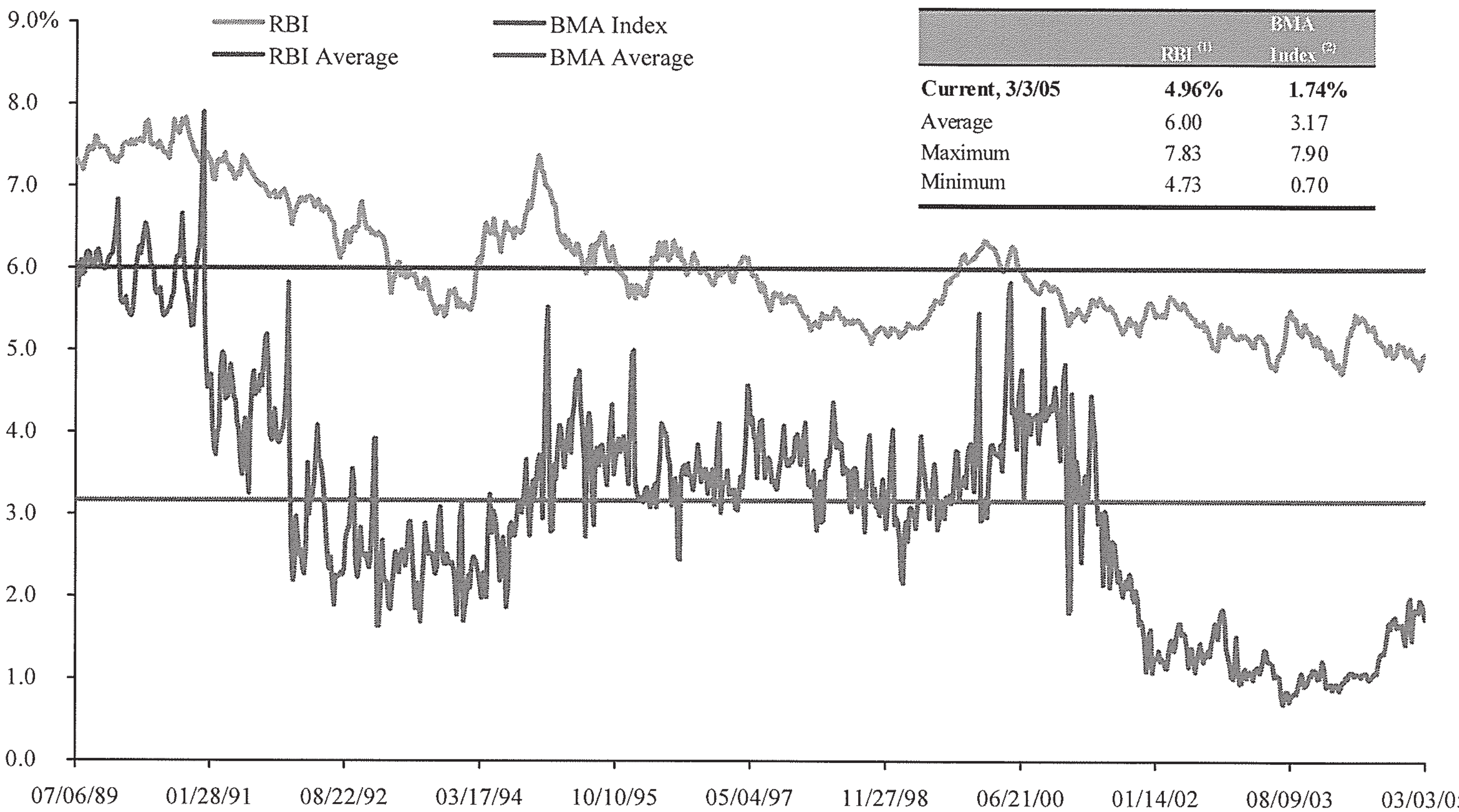
Underwriter: A dealer which purchases a new issue of municipal securities for resale.

Underwriter's Counsel: An attorney retained to represent the interests of the underwriters in connection with the purchase of a new issue of municipal securities.

Source: Municipal Securities Rulemaking Board, *Glossary of Municipal Securities Terms*

Appendix 2: Current Market Conditions

Despite recent volatility, both long-term and short-term interest rates remain near historical lows



	RBI [1]	BMA Index [2]
Current, 3/3/05	**4.96%**	**1.74%**
Average	6.00	3.17
Maximum	7.83	7.90
Minimum	4.73	0.70

Note: For illustration purposes only; actual rates will depend on future market conditions, which may vary.

(1) The Revenue Bond Index (RBI) is based on 30-year bonds issued by 25 different revenue bond issuers for a variety of purposes including housing, transportation, hospitals and pollution control. The RBI is widely used as a benchmark for long-term revenue bonds.

(2) The Bond Market Association (BMA) Municipal Swap Index is a 7-day high grade market index comprised of tax-exempt VRDOs.

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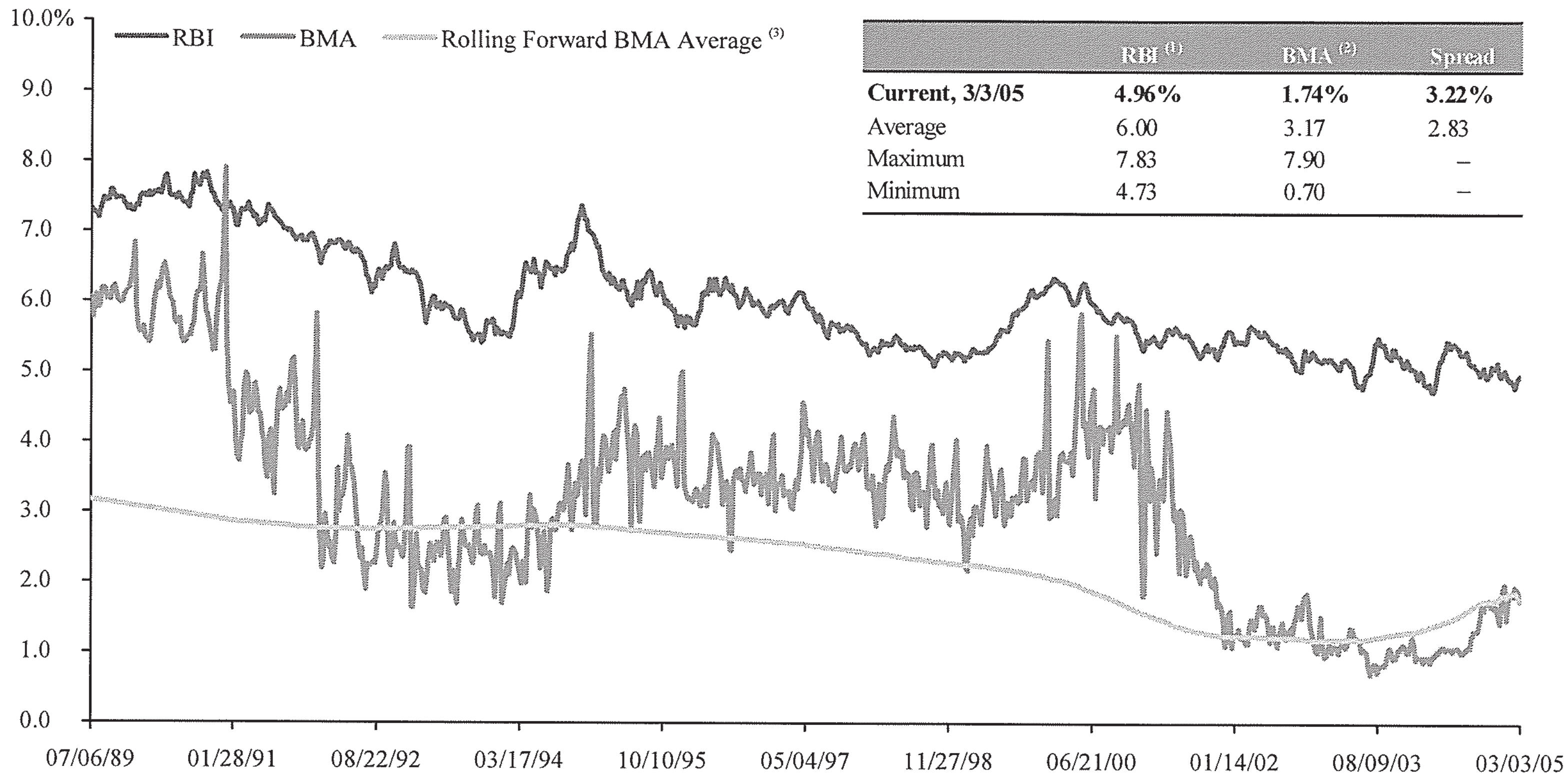
While long-term interest rates remain near historical lows, short-term rates have consistently been significantly lower



	RBI (1)	BMA (2)	Spread
Current, 3/3/05	**4.96%**	**1.74%**	**3.22%**
Average	6.00	3.17	2.83
Maximum	7.83	7.90	–
Minimum	4.73	0.70	–

Note: For illustration purposes only; actual rates will depend on future market conditions, which may vary.

(1) The Revenue Bond Index (RBI) is based on 30-year bonds issued by 25 different revenue bond issuers for a variety of purposes including housing, transportation, hospitals and pollution control. The RBI is widely used as a benchmark for long-term revenue bonds.

(2) The Bond Market Association (BMA) Index is calculated by taking the weighted-average of the clearing rates for a pool of high-grade tax-exempt short-term issues with weekly resets. The BMA Index is a widely used index for high-grade weekly bonds.

(3) The Rolling Forward BMA Average calculates the average interest cost of the BMA Index from a point in time forward.

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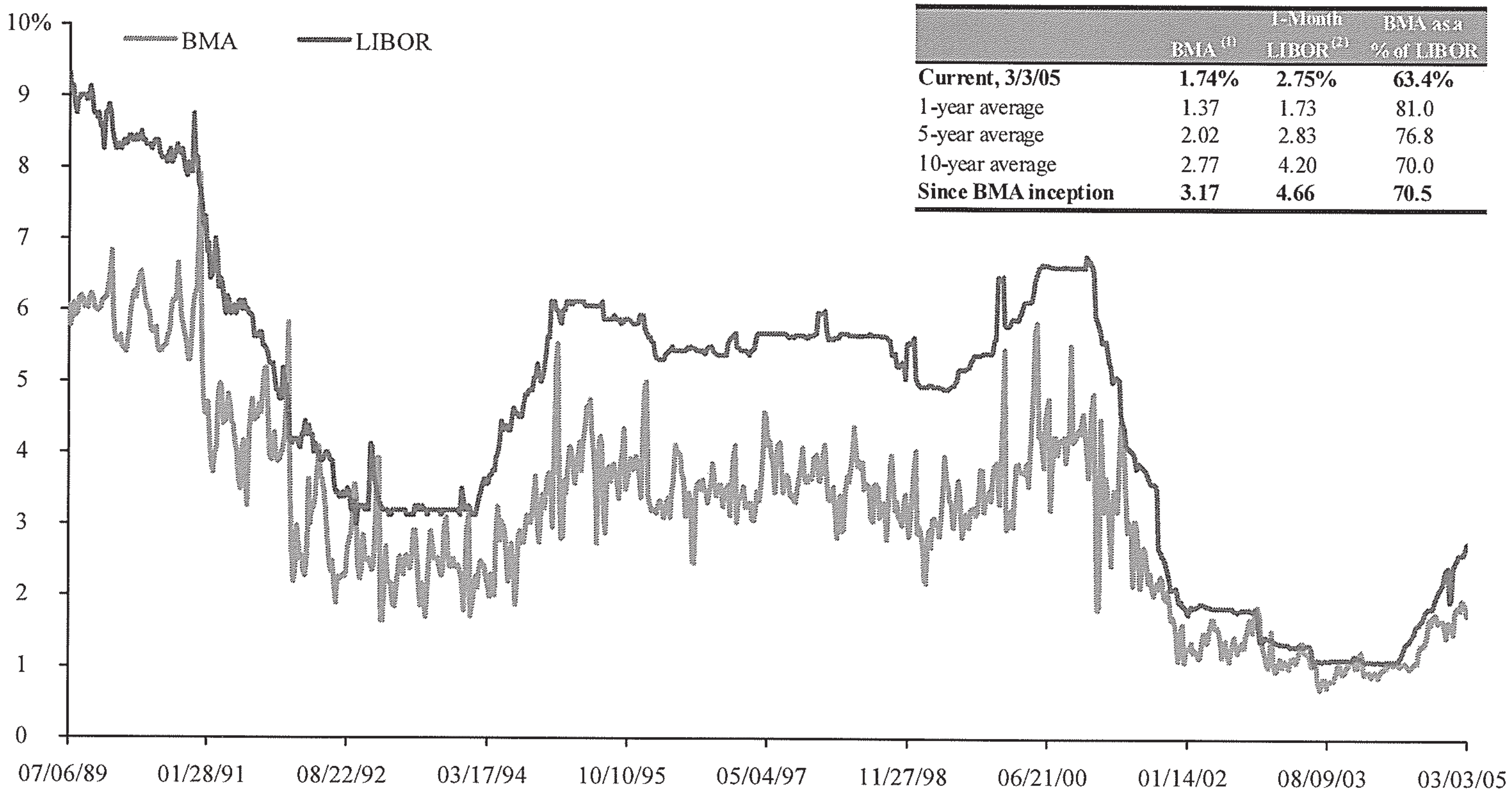
Currently, BMA is trading at 63.4 percent of LIBOR, slightly below its historical average

	BMA [1]	1-Month LIBOR [2]	BMA as a % of LIBOR
Current, 3/3/05	**1.74%**	**2.75%**	**63.4%**
1-year average	1.37	1.73	81.0
5-year average	2.02	2.83	76.8
10-year average	2.77	4.20	70.0
Since BMA inception	**3.17**	**4.66**	**70.5**



Note: For illustration purposes only; actual rates will depend on future market conditions, which may vary.

(1) The Bond Market Association (BMA) Index is calculated by taking the weighted-average of the clearing rates for a pool of high-grade tax-exempt short-term issues with weekly resets. The BMA Index is a widely used index for high-grade weekly bonds.

(2) The London Inter-Bank Offer Rate (LIBOR) is the interest rate at which banks borrow from other banks. It is the most widely used benchmark for short-term rates, quoted here using one month rates.

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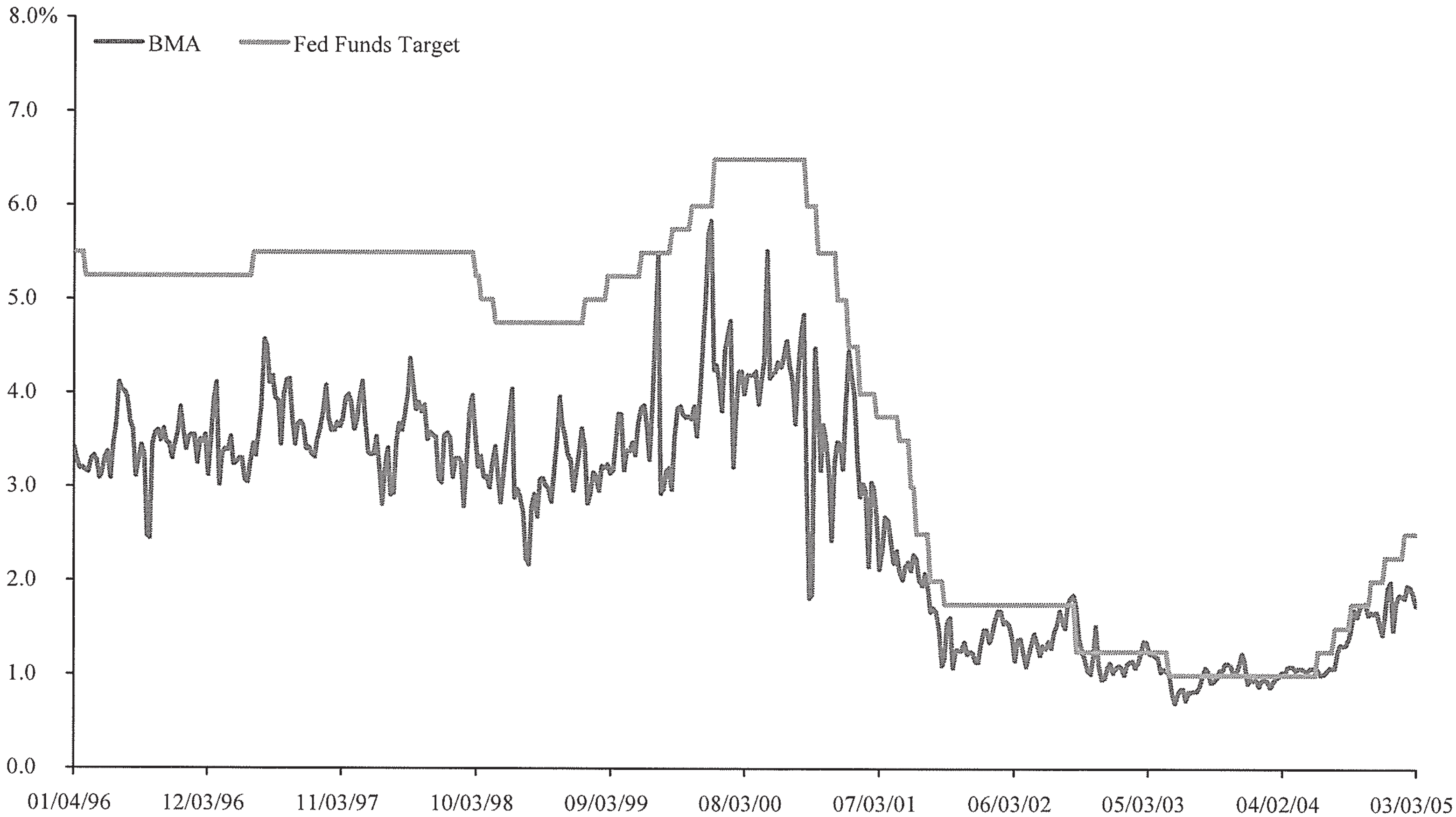
Over the past three years, the Federal Reserve's policy of easing the Fed Funds rate has corresponded with a decrease in the BMA Index



Note: For illustration purposes only; actual rates will depend on future market conditions, which may vary.